Finance Act, 1985

Section 12 - Amendment of Section 40a

In section 40A of the Income-tax Act, -

(a) in sub-section (5), in clause (b) of Explanation 2 [as amended by section 11 of the Taxation Laws (Amendment) Act, 1984 (67 of 1984)], -

(i) in sub-clause (iv), the word "and" shall be inserted at the end;

(ii) in sub-clause (v), the word "and" occurring at the end shall be omitted;

(iii) sub-clause (vi) shall be omitted;

(b) sub-section (8) shall be omitted with effect from the 1st day of April, 1986;

(c) after sub-section (11), the following sub-section shall be inserted with effect from the 1st day of April, 1986, namely :-

"(12) No deduction shall be allowed in excess of ten thousand rupees for any assessment year in respect of any expenditure incurred by the assessee by way of fees or other remuneration paid to any person (other than an employee of the assessee), -

(a) for services (not being services by way of preparation of return of income) in connection with any proceeding under this Act before any income-tax authority or the Commission constituted under section 245B or a competent authority within the meaning of clause (b) of section 269A or the Appellate Tribunal or any court;

(b) for services in connection with any other proceeding before any court, being a proceeding relating to tax, penalty, interest or any other matter under this Act; and

(c) for any advice in connection with tax, penalty, interest or any other matter under this Act.".
